

U.S. Department of Labor

Employment Standards Administration
Office of Labor-Management Standards
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October 16, 2008

Antonio Rodriguez, President
Cemento Mezclado Union Obreros Ind.
P O Box 20944
San Juan, PR 00928-0944

LM File Number 043-806
Case Number: [REDACTED]

Dear Mr. Rodriguez:

This office has recently completed an audit of Cemento Mezclado Union Obreros Ind., under the Compliance Audit Program (CAP) to determine your organization's compliance with the provisions of the Labor-Management Reporting and Disclosure Act of 1959 (LMRDA). As discussed during the exit interview with you, Treasurer Eliseo Batista, Account Ruben Luciano and Administrative Officer Jorge Carrasquillo on September 30, 2008, the following problems were disclosed during the CAP. The matters listed below are not an exhaustive list of all possible problem areas since the audit conducted was limited in scope.

Recordkeeping Violations

Title II of the LMRDA establishes certain reporting and recordkeeping requirements. Section 206 requires, among other things, that labor organizations maintain adequate records for at least five years by which each receipt and disbursement of funds, as well as all account balances, can be verified, explained, and clarified. As a general rule, labor organizations must maintain all records used or received in the course of union business.

For disbursements, this includes not only original bills, invoices, receipts, vouchers, and applicable resolutions, but also documentation showing the nature of the union business requiring the disbursement, the goods or services received, and the identity of

the recipient(s) of the goods or services. In most instances, this documentation requirement can be satisfied with a sufficiently descriptive expense receipt or invoice. If an expense receipt is not sufficiently descriptive, a union officer or employee should write a note on it providing the additional information. For money it receives, the labor organization must keep at least one record showing the date, amount, purpose, and source of that money. The labor organization must also retain bank records for all accounts.

The audit of Cemento Mezclado Union Obreros Ind., fiscal year ending December 31, 2006 records revealed the following recordkeeping violations:

1. General Expenses

Cemento Mezclado Union Obreros Ind. did not retain adequate documentation for the deposits made throughout the year by not keeping all the deposit slips. For example, the total amount of deposits per the deposit slips totaled \$123,262.32, while the total amount of deposits made per the bank statements totaled \$179,910.00 for a total difference of \$56,647.68. In addition, Obreros Cemento Mezclado failed to keep voided checks # [REDACTED], [REDACTED], and [REDACTED].

As previously noted above, labor organizations must retain original receipts, bills, and vouchers for all disbursements. The president and treasurer (or corresponding principal officers) of your union, who are required to sign your union's LM report, are responsible for properly maintaining union records.

Based on your assurance that Obreros Cemento Mezclado will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above recordkeeping violations.

2. Inadequate Bonding

The audit revealed a violation of LMRDA Section 502 (Bonding), which requires that each bond be obtained from a surety company holding a grant of authority from the Secretary of the Treasury.

Cemento Mezclado Union Obreros Ind., should obtain adequate bonding coverage for its officers and employees immediately. Please provide proof of bonding coverage to this office as soon as possible, but not later than November 30, 2008.

Mr. Antonio Rodriguez
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I want to extend my personal appreciation to Cemento Mezclado Union Obreros Ind., for the cooperation and courtesy extended during this compliance audit. I strongly recommend that you make sure this letter and the compliance assistance materials provided to you are passed on to future officers. If we can provide any additional assistance, please do not hesitate to call.

Sincerely,



OLMS Investigator

cc: Eliseo Batista, Treasurer